

## SENATE BILL No. 212

### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-17; IC 36-12.

**Synopsis:** Public library matters. Provides that in the case of a public library that: (1) is outside Marion County; (2) has assessed valuation inside and outside a city or town but was originally established by the city or town; and (3) has a nonelected board; any required approval of the public library's budget, property tax levy, or bond issues must be made by the county council (rather than the city or town that originally established the public library, as required under current law) if more than 50% of the parcels of real property within the jurisdiction of the public library are located outside the city or town. Provides that an appointee to a Class 1 public library board who serves four consecutive terms may be reappointed to the board at least four years after the date the appointee's most recent term ended. Provides that an appointee to a Class 2 library board: (1) may not serve more than four consecutive terms on the library board; and (2) who has served four consecutive terms may be reappointed to the board at least four years after the date the appointee's most recent term ended. Allows a Class 1 or Class 2 public library board to issue local library cards without charge to a nonresident of the library district who is: (1) a library employee of the district; or (2) a teacher employed by a school corporation or nonpublic school located in the district; if the library board adopts a resolution  
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**Effective:** Upon passage; July 1, 2010.

**Gard**

January 5, 2010, read first time and referred to Committee on Local Government.

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that is approved by an affirmative vote of a majority of the members appointed to the library board. Allows a Class 1 or Class 2 public library board to designate a third party to collect money for the library regardless of the amount of money owed. (Current law allows a Class 1 library board to designate a third party to collect amounts over ten dollars.) Allows a Class 1 or Class 2 library district to dissolve if identical resolutions are adopted by a majority of the appointed members of the: (1) legislative bodies of the municipalities, townships, and counties that are a part of the district; and (2) the library board. Requires that copies of the resolutions must be filed not later than ten days after the resolution is adopted with the state library and the county recorder of each county in which the library district is located. Provides that a dissolution is not effective until: (1) all legal and fiscal obligations of the library district have been satisfied; (2) the assets of the district have been distributed; and (3) a notice is filed with the county recorder and the state library that the dissolution is final. Allows a Class 1 or Class 2 public library to pay claims by electronic funds transfer if the library board authorizes the payment method by adopting a resolution.

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Second Regular Session 116th General Assembly (2010)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2009 Regular and Special Sessions of the General Assembly.

## SENATE BILL No. 212

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-17-20, AS AMENDED BY P.L.182-2009(ss),  
2       SECTION 124, IS AMENDED TO READ AS FOLLOWS  
3       [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) This section applies to  
4       each governing body of a taxing unit that:

5       (1) is not comprised of a majority of officials who are elected to  
6       serve on the governing body; and

7       (2) either:

8       (A) is:

9       (i) a conservancy district subject to IC 14-33-9;

10       (ii) a solid waste management district subject to IC 13-21;

11       or

12       (iii) a fire protection district subject to IC 36-8-11-18; or

13       (B) has a percentage increase in the proposed budget for the  
14       taxing unit for the ensuing calendar year that is more than the  
15       result of:

16       (i) the assessed value growth quotient determined under  
17       IC 6-1.1-18.5-2 for the ensuing calendar year; minus

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(ii) one (1).

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include:

(1) a school corporation; or

(2) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least thirty (30) days before the city or town fiscal body is required to hold budget approval hearings under this chapter. **However, in the case of a public library that is subject to this section and is described in subdivision (2), the public library shall submit its proposed budget and property tax levy to the county fiscal body in the manner provided in subsection (d), rather than to the city or town fiscal body, if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town.**

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least thirty (30) days before the county fiscal body is required to hold budget approval hearings under this chapter.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a taxing unit fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that taxing unit are continued for the ensuing

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1 budget year.

2 (g) If the appropriate fiscal body fails to complete the requirements  
3 of subsection (e) before the adoption deadline in section 5 of this  
4 chapter for any taxing unit subject to this section, the most recent  
5 annual appropriations and annual tax levy of the city, town, or county,  
6 whichever applies, are continued for the ensuing budget year.

7 SECTION 2. IC 6-1.1-17-20.5, AS AMENDED BY  
8 P.L.182-2009(ss), SECTION 125, IS AMENDED TO READ AS  
9 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20.5. (a) This  
10 section applies to the governing body of a taxing unit unless a majority  
11 of the governing body is comprised of officials who are elected to serve  
12 on the governing body. For purposes of this section, an individual who  
13 qualifies to be appointed to a governing body or serves on a governing  
14 body because of the individual's status as an elected official of another  
15 taxing unit shall be treated as an official who was not elected to serve  
16 on the governing body.

17 (b) As used in this section, "taxing unit" has the meaning set forth  
18 in IC 6-1.1-1-21, except that the term does not include:

19 (1) a school corporation; or

20 (2) an entity whose tax levies are subject to review and  
21 modification by a city-county legislative body under IC 36-3-6-9.

22 (c) If:

23 (1) the assessed valuation of a taxing unit is entirely contained  
24 within a city or town; or

25 (2) the assessed valuation of a taxing unit is not entirely contained  
26 within a city or town but the taxing unit was originally established  
27 by the city or town;

28 the governing body of the taxing unit may not issue bonds or enter into  
29 a lease payable in whole or in part from property taxes unless it obtains  
30 the approval of the city or town fiscal body. **However, in the case of**  
31 **a public library that is subject to this section and is described in**  
32 **subdivision (2), the public library may not issue bonds or enter into**  
33 **a lease payable in whole or in part from property taxes unless it**  
34 **obtains the approval of the county fiscal body, rather than the city**  
35 **or town fiscal body, if more than fifty percent (50%) of the parcels**  
36 **of real property within the jurisdiction of the public library are**  
37 **located outside the city or town.**

38 (d) This subsection applies to a taxing unit not described in  
39 subsection (c). The governing body of the taxing unit may not issue  
40 bonds or enter into a lease payable in whole or in part from property  
41 taxes unless it obtains the approval of the county fiscal body in the  
42 county where the taxing unit has the most net assessed valuation.

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SECTION 3. IC 36-12-2-8, AS ADDED BY P.L.1-2005, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 8. (a) Except as provided in subsection (b), an appointee to a library board may not serve more than four (4) consecutive terms on the library board. The consecutive terms are computed without regard to a change in the appointing authority that appointed the member or the length of any term served by the appointee. If:

(1) a member's term is interrupted due to the merger of at least two (2) public libraries under IC 36-12-4; and

(2) the member is reappointed to the merged public library board; the term that was interrupted may not be considered in determining the number of consecutive terms a member may serve on a library board. **An appointee who has served four (4) consecutive terms may be reappointed to the board at least four (4) years after the date the appointee's most recent term ended.**

(b) This subsection applies to a library board for a library district having a population of less than three thousand (3,000). If an appointing authority conducts a diligent but unsuccessful search for a qualified individual who wishes to be appointed to serve on the library board:

(1) the appointing authority may reappoint a board member who has served four (4) or more consecutive terms; and

(2) state funds may not be withheld from distribution to the library.

The appointing authority shall file with the library board a written description of the search that was conducted under this subsection. The record becomes a part of the official records of the library board.

SECTION 4. IC 36-12-2-18, AS ADDED BY P.L.1-2005, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 18. (a) Subject to subsection (b), the term of a library board member is four (4) years. A member may continue to serve on a library board after the member's term expires until the member's successor is qualified under section 19 of this chapter. The term of the member's successor is not extended by the time that has elapsed before the successor's appointment and qualification. If a member is appointed to fill a vacancy on a library board, the member's term is the unexpired term of the member being replaced.

(b) Except for a library board whose membership is established under section 15 of this chapter, for purposes of establishing staggered terms for the members of a library board, the initial members shall serve the following terms:

(1) One (1) year for one (1) member appointed under section 9(1),

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9(5), 16(b)(1), 16(b)(2), or 17(1) of this chapter.

(2) Two (2) years for one (1) member appointed under section 9(3)(A), 9(4), 16(b)(3), 16(b)(4), or 17(2) of this chapter.

(3) Three (3) years for one (1) member appointed under section 9(2), 9(3)(A), 16(b)(4), 16(b)(5), or 17(1) of this chapter.

(4) Four (4) years for one (1) member appointed under section 9(3)(B), 16(b)(6), or 17(2) of this chapter.

(c) When an appointing authority appoints members to terms of different length under subsection (b), the appointing authority shall designate which member serves each term.

**(d) A member may not serve more than four (4) consecutive terms as provided in section 8 of this chapter.**

SECTION 5. IC 36-12-2-25, AS AMENDED BY P.L.91-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 25. (a) The residents or real property taxpayers of the library district taxed for the support of the library may use the facilities and services of the public library without charge for library or related purposes. However, the library board may:

(1) fix and collect fees and rental charges; and

(2) assess fines, penalties, and damages for the:

(A) loss of;

(B) injury to; or

(C) failure to return;

any library property or material.

(b) A library board may issue local library cards to:

(1) residents of the library district; ~~or~~

(2) Indiana residents who are not residents of the library district;

**(3) library employees of the library district; or**

**(4) employees of a school corporation or nonpublic school located in the library district;**

who apply for the cards.

(c) Except as provided in subsections (d) and (e), a library board must set and charge a fee for a local library card issued under subsection (b)(2). The minimum fee that the board may set under this subsection is the greater of the following:

(1) The library district's operating fund expenditure per capita in the most recent year for which that information is available in the Indiana state library's annual "Statistics of Indiana Libraries".

(2) Twenty-five dollars (\$25).

(d) A library board may charge a reduced fee or not charge a fee for a local library card under subsection (c) that is issued to an Indiana resident who is:

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(1) a student enrolled in a public school corporation that is located at least in part in the library district; and

(2) not a resident of the library district.

(e) A library board may charge a reduced fee or not charge a fee for a local library card under subsection (c) that is issued to an Indiana resident who is a student enrolled in a nonpublic school that is located at least in part in the library district.

**(f) A library board may issue a local library card under subsection (b)(3) or (b)(4):**

**(1) to an individual who is not a resident of the library district; and**

**(2) without charging a fee for the card;**

**if the board adopts a resolution that is approved by an affirmative vote of a majority of the members appointed to the library board.**

SECTION 6. IC 36-12-2-26 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 26. (a) Dissolution of a library district is initiated when the:**

**(1) legislative body of each municipality, township, or county that is a part of the district; and**

**(2) library board of the district;**

**adopt identical resolutions proposing to dissolve the district by an affirmative vote of a majority of the voting members of each legislative body and library board.**

**(b) Copies of the resolutions adopted under subsection (a) shall be filed not later than ten (10) days after the resolution is adopted with:**

**(1) the state library; and**

**(2) the county recorder of each county in which the library district is located.**

**(c) A dissolution does not take effect until:**

**(1) all legal and fiscal obligations of the library district have been satisfied;**

**(2) the assets of the district have been distributed; and**

**(3) a notice is filed with the agencies listed in subsection (b), indicating that the actions described in subdivisions (1) and (2) have been completed and the dissolution is final.**

SECTION 7. IC 36-12-3-16.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 16.5. (a) As used in this section, "electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper**

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instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

(b) A library board may adopt a resolution to authorize an electronic funds transfer method of payment of claims. If the library board adopts the resolution, the public library may pay money from its funds by electronic funds transfer.

(c) A public library that pays a claim by electronic funds transfer shall comply with all other requirements for the payment of claims by the public library.

SECTION 8. IC 36-12-3-18, AS ADDED BY P.L.1-2005, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 18. (a) ~~Subject to subsection (d)~~; A library board or a person designated in writing by the library board may:

(1) collect money or library property; or

(2) compromise the amount of money;

that is owed to the library.

(b) A library board:

(1) shall determine the costs of collecting money or library property under this section; and

(2) may add the costs of collection, including reasonable attorney's fees, to money or library property that is owed and collected under this section.

(c) A library board or the library board's agent that collects money under this section shall deposit the money, less the costs of collection, in the account required by law.

~~(d) A person designated by the library board under subsection (a) may collect money from a person for the library only if the amount to be collected from the person is more than ten dollars (\$10).~~

~~(e)~~ (d) A library board may compromise claims made against the library.

SECTION 9. IC 36-12-7-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2.5. (a) An appointee to a library board may not serve more than four (4) consecutive terms on the library board. The consecutive terms are computed without regard to a change in the appointing authority that appointed the member or the length of any term served by the appointee.

(b) An appointee who has served four (4) consecutive terms may be reappointed to the board at least four (4) years after the date the appointee's most recent term ended.

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SECTION 10. IC 36-12-7-3, AS ADDED BY P.L.1-2005,  
SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
JULY 1, 2010]: Sec. 3. (a) A library board may issue local library cards  
to:

- (1) residents of the library district; ~~and~~
- (2) Indiana residents who are not residents of the library district;
- (3) library employees of the library district; or**
- (4) employees of a school corporation or nonpublic school  
located in the library district;**

who apply for the cards.

(b) Except as provided in subsection (c), a library board must set  
and charge a fee for a local library card issued under subsection (a)(2).  
The minimum fee that the board may set under this subsection is the  
greater of the following:

- (1) The library district's operating fund expenditure per capita in  
the most recent year for which that information is available in the  
Indiana state library's annual "Statistics of Indiana Libraries".
- (2) Twenty-five dollars (\$25).

(c) A library board may charge a reduced fee or not charge a fee for  
a local library card under subsection (b) that is issued to an Indiana  
resident who is:

- (1) a student enrolled in a public school corporation that is located  
at least in part in the library district; and
- (2) not a resident of that library district.

**(d) A library board may issue a local library card under  
subsection (a)(3) or (a)(4):**

- (1) to an individual who is not a resident of the library  
district; and**
- (2) without charging a fee for the card;**

**if the board adopts a resolution that is approved by an affirmative  
vote of a majority of the members appointed to the library board.**

SECTION 11. IC 36-12-7-9 IS ADDED TO THE INDIANA CODE  
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
1, 2010]: Sec. 9. (a) **Dissolution of a library district is initiated when  
the:**

- (1) legislative body of each municipality, township, or county  
that is a part of the district; and**
- (2) library board of the district;**

**adopt identical resolutions proposing to dissolve the district by an  
affirmative vote of a majority of the voting members of each  
legislative body and library board.**

**(b) Copies of the resolutions adopted under subsection (a) shall**

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be filed not later than ten (10) days after the resolution is adopted with:

(1) the state library; and

(2) the county recorder of each county in which the library district is located.

(c) A dissolution does not take effect until:

(1) all legal and fiscal obligations of the library district have been satisfied;

(2) the assets of the district have been distributed; and

(3) a notice is filed with the agencies listed in subsection (b), indicating that the actions described in subdivisions (1) and

(2) have been completed and the dissolution is final.

SECTION 12. IC 36-12-7-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 10. (a) As used in this section, "electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

(b) A library board may adopt a resolution to authorize an electronic funds transfer method of payment of claims. If the library board adopts the resolution, the public library may pay money from its funds by electronic funds transfer.

(c) A public library that pays a claim by electronic funds transfer shall comply with all other requirements for the payment of claims by the public library.

SECTION 13. IC 36-12-7-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 11. (a) A library board or a person designated in writing by the library board may:

(1) collect money or library property; or

(2) compromise the amount of money;

that is owed to the library.

(b) A library board:

(1) shall determine the costs of collecting money or library property under this section; and

(2) may add the costs of collection, including reasonable attorney's fees, to money or library property that is owed and collected under this section.

(c) A library board or the library board's agent that collects

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1     **money under this section shall deposit the money, less the costs of**  
2     **collection, in the account required by law.**

3         **(d) A library board may compromise claims made against the**  
4     **library.**

5         **SECTION 14. An emergency is declared for this act.**

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